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ABSTRACT

Part of a system by which local education agency (LEA) personnel may evaluate secondary and postsecondary vocational education programs, this last of eight components focuses on assessing local budget policy for support of vocational instructional programs. The component provides a simplified procedure whereby the LEA can determine the amount of funds generated by its vocational programs or courses, the prorata share of indirect costs, and the direct costs. Topics covered are the Florida education finance program, program cost factor, formula for distributing state dollars, the community colleges program fund, determining actual program costs, calculating direct program costs, calculating indirect program costs, evaluative instruments, data collection and analysis for budget policy assessment, and discrepancies between funds generated and program costs. Analysis tables and worksheets are included, and a brief bibliography and glossary are appended. (Each of the other seven components and an overview guide, CE 011 609, are available separately.) (JT)

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COMPONENT 8

ASSESSMENT OF LOCAL BUDGET POLICY FOR SUPPORT OF VOCATIONAL INSTRUCTIONAL PROGRAMS

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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DATA-BASED LOCALLY DIRECTED EVALUATION

OE 011 617

DATA-BASED LOCALLY DIRECTED EVALUATION OF VOCATIONAL EDUCATION PROGRAMS

Project Director	Dr. Hollie B. Thomas
Coordinator	Mr. Berlin R. Carroll
Graduate Assistants	Ray Boyett Mary Haskins Ermine Owenby Bill Ozier Jerry Smith
Secretary	Mary Smith

Program of Vocational Education
Florida State University
Tallahassee, Florida 32306

In Cooperation with
the Florida State Department of Education
Division of Vocational Education
Tallahassee, Florida 32306

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COMPONENT EIGHT

ASSESSMENT OF LOCAL BUDGET POLICY FOR SUPPORT OF VOCATIONAL INSTRUCTIONAL PROGRAMS

I. Overview

A locally directed evaluation of budget policy seeks to assess the allocation of funds to vocational education programs. More specifically budget policy evaluation seeks to answer these questions: Does the budget policy of the institution provide adequate funds for program operation and equipment maintenance? Does the fiscal policy reflect the funding categories of the Division of Vocational Education, State Department of Education?

Instructional programs are continually analyzed in order to provide data for departmental budgets. These data are usually generated on an informal basis and constitute essentially the same data that are necessary in a formal evaluation of budget policy.

Vocational instructional programs are provided to satisfy the needs and interests of both the students and the community; however, this objective cannot be achieved without adequate funds. Program budgetary support may be assessed by comparing actual program costs with funds generated for that program.

Instructional programs incur both direct and indirect costs. Included in these costs are such items as instructor

salaries, materials, transportation, travel, equipment, supplies, media, occupational information, evaluation, and placement and follow-up service. Assessment of budget policy should seek to determine discrepancies which may exist between total funds generated and total costs for each program. To accomplish this, the LEA should determine direct and pro rata share of indirect costs for each program. Appendix C provides a sample listing of the direct and indirect costs incurred by instructional programs. *

*As citations indicate, this component draws heavily from the Florida Finance Program's "State Support for Public Schools, 1975-1976." For more detailed information, the reader should contact the Florida Department of Education.

II. Suggested Procedures

An assessment of local budget policy for support of vocational instructional programs requires an understanding of vocational education funding. The following sections are provided to help the LEA staff in understanding the Florida Education Financial Program (FEFP) which is applicable to Local School Districts and the Community Colleges Program Fund (CCPF). An understanding of these programs will help the LEA to determine the amount of funds generated by individual courses and programs under the FEFP or the CCPF.

Florida Education Finance Program

In 1973, the Florida Legislature passed the Florida Education Finance Program (FEFP) which changed the focus for funding education in the state. The intent of the law was:

> To guarantee to each student in the Florida Public School system the availability of programs and service appropriate to his educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. (Section 263.0102. Florida Statutes).

The key feature of the FEFP program is that financial support for education is based upon individual student participation in a particular program. FEFP funds are generated by multiplying the number of full-time equivalent students (FTE) by program cost factors to obtain weighted FTEs which are then multiplied by a fixed base student cost. Weighted

cost factors are determined by the legislature and represent relative cost differences between programs. Program totals are then added to determine the gross funds generated for the operation of the various programs.

Full-time Equivalent Students. The following statements define a full-time equivalent student in accordance with the provisions of the FEFP.

(a) A full-time student in any of the programs listed in the FEFP.

(b) A combination of full-time or part-time students in one of the programs listed in the FEFP which is the equivalent of one full-time student based on the following calculations:

A full-time student, except post-secondary and adult, in a combination of programs listed in the FEFP shall be a fraction of a full-time equivalent membership in each program equal to the number of net hours per week for which he is a member, divided by 25.

A part-time student, except post-secondary and adult, shall be a fraction of a full-time equivalent membership in each basic and special program equal to the number of net hours or major fraction thereof per week for which he is a member, divided by 25.

All post-secondary and adult students shall be a portion of a full-time equivalent membership in each special program equal to the net hours or major fraction thereof per fiscal year for which he is a member, divided by 900.

Source: Florida Department of Education, Florida Education Finance Program; State Support for Public Schools, 1975-76.

For purposes of calculating the current operating program, a

student is considered in membership until he withdraws or until the sixth consecutive school day of his absence whichever comes first.

Determination of Full-time Equivalent Membership. During each of several specified school weeks during the fiscal year, a program membership survey of each school is made by each district by aggregating the full-time equivalent student membership of each program by school and by district.

The base student cost is determined annually by the legislature. For the 76-77 school fiscal year, the base student cost was $765.

To provide equalization of educational opportunity, the FEFP formula recognized: (1) varying program cost factors, (2) district cost differentials, (3) variation in transportation services, and (4) differences in per capita student costs for equivalent educational programs due to sparsity and dispersion of student population (beginning in 1976-77).

The school districts receive approximately 56.6% of their financial support from state sources, 34.5% from local sources and 8.9% from federal sources. In order to participate in the FEFP program, school districts must provide evidence of effort to maintain an adequate school program, and satisfy a number of requisites. Among these are requirements that the LEA:

1. Observe all requirements of the State Board relating to the preparation, adoption, and execution of budgets for

the district school system.

2. Make the minimum financial effort required for the support of the Florida Education Finance Program as prescribed by law.

Program Cost Factor

The legislature established cost factors based on relative cost differences between the programs. The cost factors displayed in Table 1 are multiples of the base student cost. For example, the Vocational Education Category III cost factor is 2.18 X FTE ($765 in 1976-77). The application of cost factors in programs where exceptional students are enrolled part-time is limited to a maximum of twelve twenty-fifths of a student membership in a given program during the week. Table 2 also presents the cost factors for basic programs, special programs, vocational-technical programs, and special adult general education programs. Materials which describe individual courses by program and cost category are periodically received by LEA's.

Table 1

Program Cost Categories

Basic Programs	Cost Factors
Kindergarten & Grades 1, 2, and 3	1.234
Grades 4, 5, 6, 7, 8, and 9	1.00
Grades 10, 11, and 12	1.10
Special programs for exceptional students	
Educable mentally retarded	2.30
Trainable mentally retarded	3.00
Physically handicapped	3.50
Physical & occupational therapy (part-time)	6.00
Speech and hearing therapy (part-time)	10.00
Deaf	4.00
Visually handicapped (part-time)	10.00
Visually handicapped	3.50
Emotionally disturbed(part-time)	7.50
Emotionally disturbed	3.70
Socially maladjusted	2.30
Specific learning disability (part-time)	7.50
Specific learning disability	2.30
Gifted (part-time)	3.00
Hospital & homebound (part-time)	15.00
Special Vocational-technical Programs (See Appendix A for course breakdown)	
Vocational Education I	4.26
Vocational Education II	2.64
Vocational Education III	2.18
Vocational Education IV	1.69
Vocational Education V	1.40
Vocational Education VI	1.17
Special Adult General Education Programs	
Adult basic education & adult high school	1.28
Community service	0.675

Source: Florida Department of Education, Florida Education Finance Program; State Support for Public Schools 1975-76.

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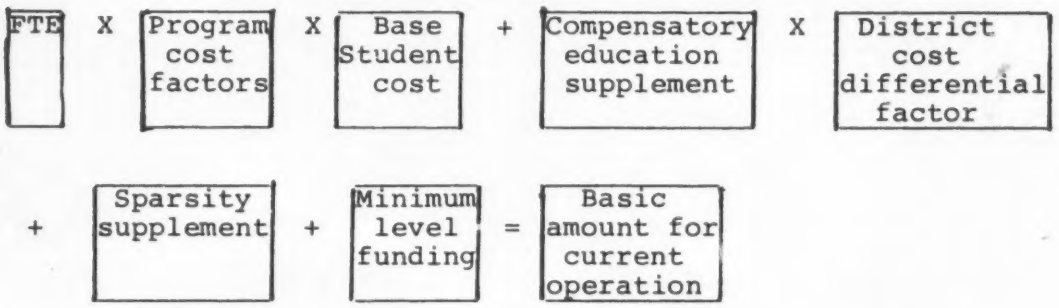
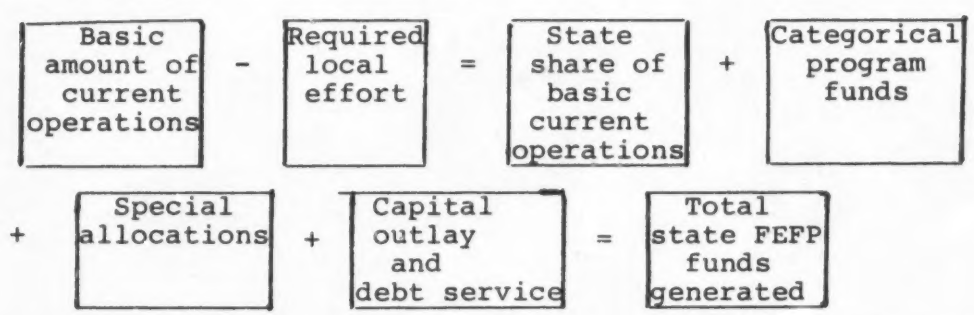
Formula for Distributing State Dollars

The basic amount for current operations under the FEFP for each district is determined by the following method (See Appendix A for a microanalysis).



Source: Florida Department of Education, Florida Education Finance Program; State Support for Public Schools 1975-76.

The required local support for programs is included in the basic amount of current operations. However, to arrive at total state FEFP funds generated, the required local support for programs is subtracted from the basic amount of current operations. This computation is made according to the following block diagram:



Source: Florida Department of Education, Florida Education Finance Program; State Support for Public Schools 1975-76.

A complete breakdown of the FEFP funding formula is provided in Appendix A. It may be observed that the FTE funds generated per course and program can be determined by using the procedures provided. However, the local education agency would be well advised to follow through the procedures provided in Appendix A (FEFP Microanalysis), before attempting a complete assessment of budget policy for support of vocational programs.

In addition to funds generated by FEFP, programs generate funds from local tax revenues. The total local support for education is calculated by multiplying 95% of the tax roll, for the district, by the millage rate levied by the district (not to exceed 8 mills). The LEA should determine each program's pro rata share of local funds by utilizing an equitable base for proration (i.e., full-time equivalent teachers, student enrollment, instructional hours, etc.). When FEFP funds and local funds are added, the total funds generated by a given program may be determined.

Community Colleges Program Fund (CCPF)*

The 1972 Legislature enacted into law a new formula for distributing State funds for community colleges. The law became effective with the 1973-74 academic year and replaced the community college foundation program for determining the state's share of operating costs.

The formula is based upon the actual cost of instruction per full-time equivalent (FTE) student. An FTE student

represents thirty student semester hours of work. In determining this cost, the formula recognizes that there are variations in the cost of course offerings. For example, because of smaller class size and the great cost of classroom equipment, it costs more to teach a student to be an auto mechanic or a dental technician, than an accountant. Also, costs per student are generally higher in institutions with small enrollments. This is recognized in the FTE formula with a definition of college sizes: a small college is one with 1,300 or less FTE students; a large college is one with more than 1,300 FTE students.

In determining the actual cost of instruction for a particular course, the major factors are the teacher's salary and the cost of movable equipment such as slide projectors, tape recorders, and typewriters. Other expenditures, such as for administration, maintenance of buildings and grounds and other college-wide expenses, are considered indirect costs. Thus, a small portion of a college president's salary is included in the state allocation for each FTE student. Also considered in calculating the allocation per FTE student is the cost of living factor, student fees, and federal funds. Thus, the state allocation for each FTE student is based upon the actual cost of instruction adjusted for price level change, minus student fees and minus federal funds. Community college students purchase their own textbooks so there is not state allocation for this purpose.

This cost-based formula is a departure from the traditional "input oriented" to an "output oriented" financing process. It provides a more realistic and rational approach to funding and relates the financing of instruction to student needs. The FTE formula also embodies the principle of planning, programming, and budgeting, which facilitates long-range planning by the colleges as well as by the State.

Following is an explanation of the procedures for determining allocations for the colleges which have enrollment in excess of 125,000:

By November 1, every year, each college submits to the Department of Education's Division of Community Colleges a cost analysis report, which includes cost data by course, aggregated by discipline into four major porgrams. For example, under the Advanced and Professional Instruction Program, disciplines include biological studies, engineering, law and social sciences, etc. The other major programs are occupational instruction, developmental instruction and community instructional services.

The cost data are aggregated into a summary which displays costs per FTE student by program and discipline and a "statewide average cost" for each discipline is calculated.

A cost ratio is then determined for each discipline. This is the relationship of cost for each discipline category to the statewide average cost for all disciplines. It is obtained by dividing the "discipline cost" by the "statewide average

cost," If the average statewide cost of a discipline was $1,400 per FTE student and the average statewide cost of all disciplines per FTE student was $1,000 annually, the $1,000 would be divided into the $1,400, giving 1.4, which is the discipline ratio.

Examples of discipline cost ratios at a small college under 1,300 FTE students are: architecture and engineering, 1.7; business and management courses, 1.1; and foreign languages, 1.3. At a large college, more than 1,300 FTE students, the ratios are 1.3, 1.0, and 1.1. Cost levels (cost ratios) are updated annually based on the most recent analyses of costs from all colleges.

Each college then projects its enrollment and discipline categories for the year to be funded and submits these to the Division of Community Colleges. These projections are analyzed and totaled for all colleges to determine statewide operating costs.

The unitary cost is used in calculating the over-all amount of State funds which will be requested from the Legislature for community college operations. The average cost per FTE student may be greater or less than the unitary cost, depending on the preponderance of high-cost or low-cost programs. The following describes each factor in the development of the unitary cost:

The statewide average cost per FTE student in the base year is the key factor in the calculation. This repre-

sents the best estimate of money needed to achieve a specific level of instruction. Added to this is the price level change adjustment, termed the economic lag factor. The federal consumer and wholesale price indexes are used in computing this adjustment. This provides monetary adjustment to the base-year costs for changing economic factors. Subtracted from this are the estimated amounts of student fees and federal funds which will be received. The resulting figure is the amount of state support actually needed.

Here is an example of the formula in action:

	Percentage	Course Cost
Statewide Average Base-Year Cost/FTE	100%	$1,130
Plus Economic Lag Factor	10%	113
Minus Student Fees	22%	238
Minus Federal Funds	5%	55
Total	89%	$ 950

Thus, the State allocation per FTE student in a course which has a basic average discipline cost of $1,130 is $950 which represents the unitary cost.

To carry this a step further, imagine there are 100 FTE students enrolled at a college in biological studies, with a cost ratio of 1.4; 50 in the study of agriculture, cost ratio 1.5; and 50 in social sciences courses, cost ratio 0.9.

Discipline	(Cost Ratio	X	Unitary)	=	Discipline Cost
Biological Study	1.4	x	$950	=	$1,330
Agriculture	1.5	x	950	=	1,425
Social Sciences	.9	x	950	=	855

X FTE	=	Amount
100	=	$133,000
50	=	71,250
50	=	47,750
		$247,000 = Total request for these three disciplines at the college.

Similarly, calculations for each discipline at each community college (may be used) to arrive at a figure representing statewide needs. This total request is presented to the Legislature for an appropriation for community college operations.

When enrollment projections do not equal actual FTE student enrollments, adjustments are made upward or downward in each college's allocation.

Determining Actual Program Costs

The preceding has described how the LEA may calculate funds generated under the Florida Education Finance Program or the Community Colleges Program Fund. Before the comparison of funds available to funds allocated can be achieved, both

*Community College section quoted directly from:
Position paper from the Division of Community Colleges, Florida Department of Education.

direct and program pro rata share of indirect costs must be calculated. Total program costs are represented by the following:

AC = PIC + DC, where

AC = Actual program costs

PIC = Program pro rata share of indirect costs, and

DC = Program direct costs.

Direct costs to a given program include:

1. Salaries of program teaching staff.
2. Employee benefits.
3. Travel costs related to instruction.
4. Costs of instructional supplies and materials.
5. Classroom and laboratory facilities and equipment.
6. Pro rata share of physical plant use cost.

Indirect costs to a program include the prorated share of the LEA's expenditure for:

1. Administrative services (both school and district).
2. Student support services (e.g., guidance, counseling, placement).
3. Instructional staff support services.
4. Business and general accounting services.
5. Plant maintenance and other contract support services.

Calculating Direct Program Costs

Total program direct costs are computed by adding the direct costs associated with each category given above.

Each category of direct costs should be considered separately. Following this procedure, it becomes a relatively simple task to transfer the total direct costs to the Budget Analysis Worksheet shown in Appendix C.

Salaries of teaching personnel. Many vocational educational programs employ both full-time and part-time instructors resulting in a number of alternative approaches for calculating instructional salaries. In addition, many teachers are required to teach courses in more than one program to fill their teaching load. With these situations in mind, the most simple method for determining instructional salary direct cost is to consider the proportion of time the instructor is alloted to the program. Use of this method results in the following:

> Actual cost = Teacher's annual salary x percentage of teacher's time alloted to program.
>
> For example, in a situation where a teacher's annual salary is $10,000 and 33% of his/her time is alloted to the actual cost to the program for that teacher's salary would be:
>
> Actual cost = $10,000 x .33 = $3,300

The computation given above would be repeated for each instructor assigned to the program and all computations would be added to arrive at the total direct cost for salaries.

Employee benefits. A method similar to that used for determining direct costs for salaries can be employed for calculating employee fringe benefits. To simplify the process for determinating direct costs due to employee benefits (retirement, insurance, sick leave, FICA, etc.), the

total actual salaries incurred by the program, as determined in the preceeding step, can be multiplied by a percentage factor for total fringe benefits. For example:

Total Salaries	X	Percentage Factors	=	Total Fringe Benefits.

The LEA will need to determine its particular percentage factor. If, for example, the fringe benefit cost to the institution is .6% for workman's compensation, 5.85% for social security, and 9% for state retirement, then the percentage factor would be 15.45% or .1545. Using this percentage factor with a hypothetical salary cost of $117,492, the total fringe benefit cost would be computed:

$117, 492 X .1545 = $18,152.51

If fringe benefits are included in the total salaries given earlier, then fringe benefits may be excluded from direct costs.

Travel costs. Direct travel costs are derived from student field trips and instructor professional development activities. To determine the total travel costs incurred by the program for any time period, individual travel vouchers may be retrieved, and cost data extracted. By adding the cost data from all vouchers, the total travel costs may be computed.

Cost of instructional supplies and materials. Consumable supplies and materials for instructional purposes are included in this category of direct costs. Similar to methods for determining travel costs, purchase orders for supplies and

materials may be retrieved, and cost data extracted. By adding all costs reflected on the purchase orders, a total cost figure may be obtained. In instances where supplies and materials are allocated to more than one program, the proportion of supplies and materials costs incurred by a given program may be computed by:

$$\text{Individualized program supplies and materials} = \frac{\text{Individual program student contact hours}}{\text{Student contact hours for all programs}}$$

X total supplies and materials costs.

Classroom and laboratory costs. This category of costs represents the annual depreciated costs of classrooms, laboratories, facilities, and equipment used by a given instructional program. Depreciated values may be computed by determining the ratio of original cost to life expectancy. Values of life expectancy may be obtained from regional consultants of the Division of Vocational Education. If facilities, equipment, laboratories, and classrooms are shared by more than one program, costs are pro-rated based on the percentage of total use required by individual programs. The following procedure may be used to compute classroom and laboratory costs:

$$\text{Total actual costs} = \frac{\text{Original cost of item}}{\text{Life expectancy of item}} \times \text{Percentage use}$$

As an example, assume that a welding machine cost $50,000, has a life expectancy of 10 years, and is used 100% of the time by the welding program; the annual cost of this piece of

equipment, to the welding program, would be:

$$\frac{\$50,000}{10} \times 1 = \$5,000.$$

A similar computation would be required for each item in this category of costs. To arrive at total costs in this category would require that all item costs be added together.

Physical plant use costs. Physical plant use costs include charges incurred by the program for use of the physical plant. Calculation of direct physical plant costs to a given program requires a two-step computation:

1. The total annual physical plant cost is computed by dividing the original cost of the physical plant by the life expectancy (supplied by the Division of Vocational Education). Assume, for example, that the original physical plant cost $3,000,000 and has a life expectancy of 30 years. In this case, the total annual physical plant cost is $100,000.

2. The actual physical plant cost for a given program is based on the percentage of total physical plant space occupied by the program, and based on the percentage of instructional units of the program. The following procedure is given for simplicity. To carry the example given above to the final step, assume that the vocational program occupies 20% of the total space, and constitutes 60% of the total instructional hours. The following calculation should be performed to determine the actual program cost to a given program:

Actual program physical plant cost = $100,000 x .2 x .6 = $12,000

The total direct costs to a given program may be determined by summing the costs computed for each of the six categories. This cost factor may be transferred to the appropriate column

on the budget analysis worksheet in Appendix C.

Calculating Indirect Program Costs

The determination of program pro rata share of indirect costs is similar, but perhaps more difficult than the computation involved in determining the program direct costs. While computations are similar, the LEA will need to choose some basis for proration. Some of the more commonly used bases are: (1) time, (2) number of students, (3) employees, (4) full-time equivalent teachers, (5) space, (6) use time, and (7) average daily attendance. With such a wide range of proration bases, it follows that there are a large number of alternate methods for computing program pro rata shares of indirect costs. The examples given in this section are intended to help the LEA arrive at pro rata costs, and in no way imply that alternate methods may not be used.

Administrative services. The program pro rata share of administrative services costs may be broken into two categories: (1) General administrative services, and (2) School administrative services. General administrative services relate to policymaking activities of the board of control, whereas school administrative services relate to the implementation of policy.

General administrative services may be prorated based on full-time equivalent teachers using the following:

$$\text{Program prorated general administrative service costs} = \frac{\text{Full-time equivalent teacher in program}}{\text{Total full-time equivalent teacher in school}} \times \text{Total general administrative service costs}$$

To determine program prorated general administrative service costs, the LEA needs only to substitute the appropriate numbers.

School administrative service costs may be prorated based on average daily attendance using the following:

$$\text{Program prorated school administrative service costs} = \frac{\text{Average daily student attendance in program}}{\text{Average daily student attendance in school}} \times \text{Total school administrative service costs}$$

A determination of the program prorated school administrative service costs may be made by substituting the appropriate values of the variable given.

Student support services. Student support service costs include guidance activities, health services, placement services, and other activities to improve the well-being of students and support the instructional program.

Student support services may be prorated based on average daily attendance similar to the proration of school administrative services. Appropriate values for the variables given below should be substituted to determine student support service costs:

$$\text{Program prorated student support service costs} = \frac{\text{Average daily student attendance in program}}{\text{Average daily student attendance in school}} \times \text{Total student support service costs}$$

Instructional staff support services. This category of indirect costs includes but is not limited to: (1) media, (2) teacher aides, (3) duplicating services, (4) typing, and (5) laboratory assistants. Computing the program's pro rata

share of instructional staff support service costs is the same as that given in computing general administrative service pro rata costs. The proration is based on full-time equivalent teachers.

Business and general accounting services. These types of costs are incurred from statistical data processing, fiscal accounting, evaluation, research and similar activities. A procedure to compute a program pro rata share of these costs is identical to that described in the instructional staff support services section given above.

Plant maintenance and other central support services. These types of costs are related to purchasing, transporting, and maintaining materials and services. The major costs in this category are associated with operation and maintenance of the physical plant.

The program proration of costs for physical plant operation and maintenance may be based on space and time used by the instructional program. More specifically, program pro rata costs for this category may be estimated by:

$$\text{Program prorated share of plant operation and maintenance} = \frac{\text{Sq. ft. of space used by program}}{\text{Total sq. ft. of physical plant}} \times \frac{\text{Program instructional hours}}{\text{Total instructional hours in plant}} \times \text{Total costs of plant operation and maintenance}$$

Program pro rata share of student transportation to and from school may be computed based on average daily attendance as described earlier.

After prorating computations are made, all prorated indirect costs are added to determine the total program pro rata share of indirect costs. These totals may be transferred to the budget analysis worksheet shown in Appendix C. To determine the program total actual costs requires that direct and pro rata share of indirect costs be added together. While procedures given for calculating direct and indirect costs have been addressed at the program level, these procedures can also be applied to individual courses.

Evaluative Instruments

Evaluative instruments developed by the LEA for assessing or evaluating local budget policy for support of vocational programs will vary in complexity, ranging from a relatively simple evaluation instrument to a rather detailed form depending upon the specific course or program. However, examples of pertinent questions which should be addressed include the following:

1. Are sufficient funds available to assure that programs meet their specific objectives?
2. What discrepancies exist between funds allocated and funds available to specific courses or program(s)?
3. Can program outcomes be significantly improved by the reallocation of budgeted funds?

Data Collection and Analysis for Budget Policy Assessment

Through local evaluation, departmental administrators and faculty members working together have an opportunity to assure

that their program and courses are adequately funded. These persons should work closely with the LDE team to collect budget policy information regarding their programs. Data needed to conduct a discrepancy analysis between funds generated by an instructional program, and actual program costs have been described in the sections of FEFP funding and actual program costs. Data collection may involve personal interviews with program administrators and faculty personnel to obtain the information needed.

Discrepancies Between Funds generated and Program Cost

The LDE team should analyze the data collected to determine what discrepancies exist between funds generated by specific programs and the actual cost of these programs. As shown in the FEFP formula, each FTE student generated a specific amount of funds for the department or program within the LEA. Based on the total number of FTE within a department or program, the total FEFP funds generated can be computed. In addition, methods for computing total program costs have been given. A comparison of funds generated with program costs will then lead to a discrepancy analysis.

In some instances, a specific department may generate more dollars than total costs to meet departmental objectives. In other instances, a department may generate fewer dollars than total costs necessary to meet the departmental objectives. Thus, a discrepancy may exist between the total cost of a specific course or program and the funds generated. An

evaluation question might be "does a discrepancy in budget policy exist that adversely affects the quality of the courses or programs?"

Discrepancies which may exist in funds generated by specific course or program and total costs of that program may be addressed by completing a discrepancy analysis worksheet. A sample budget analysis worksheet is provided in Appendix C, which includes provisions for annotating both the direct and indirect program costs. If program total costs are excessively higher than funds generated, the discrepancy will have been identified. Appendix B provides the district cost differential for 1975-76.

III. Using Evaluation Data

Utilization of data generated in the evaluation of budget policy will help the LEA in determining whether adequate funds are generated and allocated to assure that vocational programs are meeting instructional objectives.

The evaluative effort described in this section assumes faculty involvement in the budget policy process, thereby creating an immediate feedback on course and program needs. Immediate feedback can assist the LEA in assuring maximum flexibility in the program budget resulting in a more unified administrative effort than could be expected without faculty involvement.

IV. Summary

Without administrative support and financial resources necessary for programs to meet commitments to students and the community, the vocational program will fail or become unfruitful. In this connection, the evaluation and analysis of local budget policy for support of vocational programs is am essential component of a locally directed evaluation.

A complaint sometimes voiced by mid-level administrators and faculty is that program and instructional objectives are not being met adequately because of lack of financial resources. When the LDE team addresses budget policy in a manner similar to methods suggested in this section, many of the complaints may be allieviated.

Detailed Breakdown of Tasks Required to Complete Assessment of Budget Policy

The following detailed breakdown of tasks required to complete an assessment of local budget policy for support of vocational instructional programs is provided for a succinct clarification of the procedures required for the evaluation.

Local school districts.

1.0 Determine funds generated and funds available to program or course.

1.1 Determine the number of full-time equivalent students for each course.

1.2 Add FTEs for each course to determine program FTE.

1.3 Calculate FEFP funds generated - using formula for distributing state dollars.

1.3.1 Determine program cost factor.

1.3.2 Determine base student cost.

1.3.3 Determine compensatory education supplement.

1.3.4 Determine district cost differential.

1.3.5 Determine sparsity supplement.

1.3.6 Determine minimum level funding.

1.3.7 Substitute FTE, program cost factor, base student cost, compensatory supplement, district cost differential, sparsity supplement, and minimum level funding data.

1.4 Determine program pro rata share of local funds.

1.4.1 Determine pro rata program share of local funds based on number of full-time equivalent teachers, student enrollment, instructional hours, or some other equitable base.

1.4.2 Collect information on program pro rata share of local funds.

1.5 Sum FEFP funds and local funds to determine total funds generated.

2.0 Determine total program costs.

2.1 Calculate direct program costs.

2.1.1 Compute instructional salaries.

2.1.2 Compute employee fringe benefits.

2.1.3 Compute travel costs.

2.1.4 Compute costs of instructional supplies and materials.

2.1.5 Compute classroom and laboratory costs.

2.1.6 Compute physical plant costs.

2.1.7 Sum costs of all categories.

2.1.8 Transfer direct costs to budget analysis worksheet.

2.2 Calculate pro rata share of indirect program costs.

2.2.1 Compute administrative services costs.

2.2.2 Compute student support services costs.

2.2.3 Compute instructional staff support services costs.

2.2.4 Compute business and general accounting services costs.

2.2.5 Compute plant maintenance and other central support services costs.

2.2.6 Sum costs of all categories.

2.2.7 Transfer pro rata share of indirect costs to determine total program costs.

3.0 Conduct discrepancy analysis between funds available and funds allocated to program or course.

3.1 Complete cost analysis worksheet.

3.1.1 Identify discrepancies.

3.2 List recommendations for correcting discrepancies.

Community colleges.

1.0 Determine funds generated and funds available to program or course.

1.1 Determine number of full-time equivalent students for each course or program.

1.1.1 Divide total student credit hours by 30 student credit hours per FTE to obtain FTE.

1.2 Determine program discipline cost ratio.

1.2.1 Divide discipline cost per FTE by statewide average cost for all disciplines per FTE.

1.3 Determine the state allocation per FTE student (i.e., unitary cost).

1.3.1 Sum statewide average cost per FTE and economic lag factor.

1.3.2 Subtract student fees and federal funds generated.

1.4 Determine discipline cost.

1.4.1 Multiply cost ratio by unitary cost.

1.5 Determine state share of total funds.

1.5.1 Multiply discipline cost by FTE.

1.6 Determine total program funds.

1.6.1 Add program share of student fees and federal funds (i.e., grants, etc.) to

state's share of total funds.

2.0 Determine total program costs.

2.1 Calculate direct program costs.

2.1.1 Compute instructional salaries.

2.1.2 Compute employee fringe benefits.

2.1.3 Compute travel costs.

2.1.4 Compute costs of instructional supplies and materials.

2.1.5 Compute classroom and laboratory costs.

2.1.6 Compute physical plant costs.

2.1.7 Sum costs of all categories.

2.1.8 Transfer direct costs to budget analysis worksheet.

2.2 Calculate pro rata share of indirect program costs.

2.2.1 Compute administrative services costs.

2.2.2 Compute student support services costs.

2.2.3 Compute instructional staff support services costs.

2.2.4 Compute business and general accounting services costs.

2.2.5 Compute plant maintenance and other central support services costs.

2.2.6 Sum costs of all categories.

2.2.7 Transfer pro rata share of indirect costs to budget analysis worksheet.

2.3 Add direct costs and pro rata share of indirect costs to determine total program costs.

3.0 Conduct discrepancy analysis between funds available and funds allocated to program or course.

3.1 Complete cost analysis worksheet.

3.1.1 Identify discrepancies.

3.2 List recommendations for correcting discrepancies.

V. Sample Evaluation Materials

	Appendix
Microanalysis of Florida Education Finance Program	A
District Cost Differential (1975-76)	B
Budget Analysis Worksheet	C
Discrepancy Analysis Worksheet	D

APPENDIX A

MICROANALYSIS OF FLORIDA EDUCATION FINANCE PROGRAM

FTE	x	Program Cost Factor	x	Base Student Cost	x	Compensatory Education Supplement	x

District Cost Differential	+	Sparsity Supplement	+	Minimum Level Funding	=	Basic Amount For Current Operations

The following steps are provided to help the LEA in understanding how FEFP funds are generated.

Determining FTE for a specific program

FTE for each course must be computed and totaled to compute the aggregate FTE for each program. The following method may be utilized.

A. The number of hours a class meets per day;

multiplied by

B. The number of school days per week (5);

multiplied by

C. The classroom contact hours per week; divided by

D. Twenty-five (25), (Contact hours required for FTE) equals

E. FTE; multiplied by

F. Number of students in attendance; equals

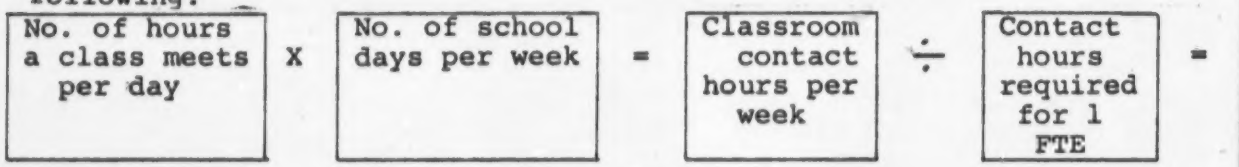
G. FTE for course A (one course); plus

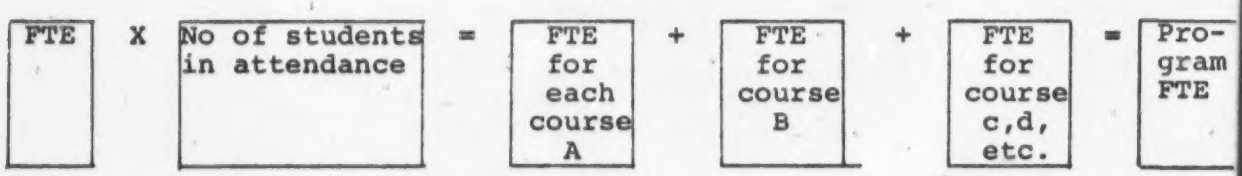
H. FTE for course B, C, D, etc.; equals

I. Program FTE.

APPENDIX A-2

In block diagram form the procedures looks like the following:





For example, if the Distributive Education (DE) program had 30 students enrolled in Hotel-Motel management for three class hours per day, and 20 students enrolled in Hotel-Motel cashiering for one hour per day, the following computation would determine FTE generated by the DE program.

Course A

a		b		c		d		e		f		g
3	X	5	=	15	÷	25	=	.6	X	30	=	18

Course B

a		b		c		d		e		f		g
1	X	5	=	5	÷	25	=	.2	X	20	=	4

= Total FTE for DE 22

2. Determining program cost factors

The LDE team will need to consult the current cost categories for Funding of Vocational Education Courses (available from the Division of Vocational Education, Department of Education).

APPENDIX A-3

To determine program cost factors, proceed as follows:

A. Determine the number of 55 minute classes within a program, that are held each day; then multiply by

B. Percentage of contact time (55 min.) required for one class, then multiply by

C. Course cost factor for the specific course from current cost categories for funding of Vocational Education courses (repeat the above steps for each course in the program); equals

D. Course cost factor for Course A, plus

E. Cummulative course cost factors for Course B, C, D, etc.; equals

F. Program cost factor.

Diagrammatically, the procedure looks like:

No. of 55 min. classes within a program	X	Percentage of contact time required for 1 class .20	X	Course cost factor	=

Cost factor for Course A	+	Course cost factor for Course b	+	Course cost factor for Course C, D, etc.	=	Program cost factor

For example, if the DE department held four 55 minute classes each day (4-55) in Hotel and Motel management, and one 55 minute (1-55minute) class in Hotel and Motel cashiering,

computing the program cost factor would be as follows:

4	x	.20	x	4.26	=	3.4080
4	x	.20	x	2.64	=	2.1120 =
				Total		5.520

3. Determining Base Student Costs

Public Education Act Chapter 75-284 Florida Statutes 236.081, require (1) (b) Base student cost to be determined annually by legislature. For the 1975-76 school year, base student cost was set at $745.

. Determine Compensatory Education Supplement (not appropriate for 1976-77) Florida Statute 236.081 states:

> Annually, in an amount to be determined by the legislature, a supplement to the base student allocation shall be added to all fulltime equivalent students in basic programs qualifying for compensatory education in accordance with criteria, including low achievement test scores, socio-economic level, and low standard English comprehension level, established by rules of the State Board. Such rules shall be designed to maintain consistency with the applicable Federal law and regulations so as to prevent impairment, interruption, or loss of any federal funds allocated to the State for compensatory education of public school students.
>
> The Department of Education shall, after taking into consideration all funds available from all sources, annually recommend to the Legislature an amount sufficient to carry out the purpose of this program. The Legislature shall annually fix such supplements on a fulltime equivalent student basis.

5. Determining District Cost Differential

Consult current legislated district cost differential table provided in Appendix B. These factors were established by Chapter 75-284, Florida Statute 236.081.

6. Determining Sparsity Supplement (not appropriated for 1976-77).

Annually, in an amount to be determined by the Legislature, some school districts may qualify for a sparsity supplement. The factor of extra cost to school districts due to sparsity of student population for equivalent educational programs is computed as follows:

$$\text{Sparsity factor} = \left\{\frac{1101.8918}{2700 \text{ plus the sparsity index of the district}}\right\} \text{ minus } 0.1101$$

Districts with a sparsity index of 1,000 or less are computed as having a sparsity index of 1,000 and districts having a sparsity index of 7,308 and above are computed as having a sparsity factor of 0.

The district sparsity index is computed by dividing the total number of full-time equivalent students in all programs in the district, not in excess of three. The senior high school centers must be approved as permanent centers by a survey made by the Department of Education.

APPENDIX A-6

7. Minimum Level Funding

Minimum level funding guarantees that each district will receive a minimum level of funding, per full-time student, for the current year that is not less than that of the previous year. If the basic amount for operating during the 1976-77 fiscal year of Jones County School is $2000, the minimum level funding for 1977-78 school year guarantees that funding will not fall below the $2000 appropriated for 1976-77 fiscal year.

Factors computed in the preceeding section should be substituted in the formula given at the outset of this appendix to arrive at the basic amount for current operations.

APPENDIX B

DISTRICT COST DIFFERENTIAL (1975-76)

District	Factor	District	Factor
Alachua	0.9700	Lake	0.9690
Baker	0.9460	Lee	1.0120
Bay	0.9610	Leon	0.9740
Bradford	0.9210	Levy	0.9450
Brevard	0.9770	Liberty	0.9030
Broward	1.0580	Madison	0.9390
Calhoun	0.9030	Manatee	0.9780
Charlotte	0.9940	Marion	0.9700
Citrus	0.9540	Martin	1.0130
Clay	0.9730	Monroe	1.0570
Collier	1.0450	Nassau	0.9380
Columbia	0.9680	Okaloosa	0.9600
Dade	1.0650	Okeechobee	0.9900
DeSota	0.9570	Orange	0.9730
Dixie	0.9360	Osceola	0.9600
Duval	0.9720	Palm Beach	1.0590
Escambia	0.9429	Pasco	0.9530
Flagler	0.9510	Pinellas	1.0020
Franklin	0.9190	Polk	0.9650
Gadsden	0.9100	Putnam	0.9430
Gilchrist	0.9410	St. Johns	0.9680
Glades	0.9490	St. Lucie	0.9920
Gulf	0.9170	Santa Rosa	0.9430
Hamilton	0.9210	Sarasota	1.0190
Hardee	0.9430	Seminole	0.9730
Hendry	0.9760	Sumter	0.9540
Hernando	0.9510	Suwannee	0.9230
Highlands	0.9530	Taylor	0.9520
Hillsboroguh	0.9720	Union	0.9260
Holmes	0.9130	Volusia	0.9760
Indian River	0.9970	Wakulla	0.9380
Jackson	0.9160	Walton	0.9220
Jefferson	0.9420	Washington	0.9070
Lafayette	0.9200		

Source: Florida Statute 236.081, Chapter 75-284.

APPENDIX C

BUDGET ANALYSIS WORKSHEET

Program:_____

Course:_____

Program Direct Costs		Program Pro Rata Share of Indirect Costs	
Category of Costs	Amount	Category of Costs	Amount
1. Salaries of teachers		1. Administrative	
2. Employee benefits		2. Student support services	
3. Travel		3. Instructional staff support services	
4. Instructional supplies and materials		4. Business and general accounting	
5. Classroom and laboratory		5. Plant maintenance and central support	
6. Physical plant use costs			
Totals			

APPENDIX D

DISCREPANCY ANALYSIS WORKSHEET

Program or Course	Total Funds Generated FEFP plus local	Total program course/cost	Discrepancy*
1.			
2.			
3.			

* Determined by comparing total funds generated with total program costs.

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Glossary

CCPF: Community College Program Fund.

Direct Costs: costs directly incurred by programs (i.e., salaries, fringe benefits, machine maintenance costs for the specific program, etc.).

FEFP: Florida Education Finance Program

FTE (Full-Time Equivalent Student): one student on the membership roll of one school program or a combination of school programs for five school days (one school week) or the equivalent consisting of not less than 25 net hours.

Indirect Costs: cost shared by programs (i.e., utilities, overhead, general maintenance, etc.).

Per Capita: cost or income per individual.

Pro Rata: the process of dividing costs or expenses by individual programs or courses